Funding Canvas

by | for | date / version

Use this canvas and the accompanying worksheets to define your funding needs and identify possible funding sources. Typically, this will mean planning over the next 3-5 years, but it may be longer if you have a very long product development period. Follow the instructions provided with each step.

Course at
Startup Accelerator

Step 1: Define Funding Needs

Instructions: Define a milestone for each big achievement that will increase the value of the business. You can use Worksheet 1 to calculate the detailed costs for each milestone. If you need more rows, just add them. The amounts should match your Free Cash Flow forecast, in other words the amount of money you need to cover operating costs (e.g. salaries, materials) and investing activities (e.g. buying assets) to achieve each milestone.

Step 2: Identify Funding Sources

Instructions: Identify and prioritize the funding sources that you could use to achieve each milestone. Use Worksheets 2, 2A, 2B, 2C and 2D to help identify possible sources of funding. If a source covers multiple milestones, then indicate it.

	Milestone **Tip:** a milestone should represent a big achievement that increases the value of the company. E.g. MVP Launched, Pilot Technology at 1/100th Scale, First 10,000 Users, Breakeven Sales or Sign OEM Licensing Deal, etc.	Timing E.g: 0-18 months.	Amount E.g: 500k.	Sources **Tip:** Prioritize sources from left (highest priority) to right (lowest priority).
1				
2				
3				
4				
5				
		Total		

See **separate worksheets** for **each step!**

1 | 2 | 2A | 2B | 2C | 2D

1 | 2 | 2A | 2B | 2C | 2D

Worksheet 1

Milestone Cost Planner

Use this worksheet to do a bottom-up analysis of the costs of delivering one of your milestones. The amounts should match your Free Cash Flow forecast, in other words the amount of money you need to cover operating costs (e.g. salaries, materials) and investing activities (e.g. buying assets) to achieve each milestone.

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Milestone

Period

	Cost Item Tip: Consider both operating costs (e.g. salaries, materials, supplier costs) and investing costs (e.g. buying equipment, vehicles or other assets).	Type Tip: Define useful categories, such as R&D or Equipment.	Timing E.g: 0-3 months.	Amount E.g: 75k.
1				
2				
3				
4				
5				
			Total	

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Worksheet 2
Funding Sources

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Use this worksheet to evaluate the four main types of funding (equity finance; grants and competitions, crowdfunding; and, loans) that a typical startup can access at different stages of its journey. Add sticky notes indicating the amounts of money you might seek from each option at different stages. For each option you might consider, go to the relevant worksheet to identify specific sources of funding based on your requirements.

Seed R&D, Prototype Development

Early Stage Product Development and Demonstration, Manufacturing, Initial Market Entry

Growth Market Development and Expansion, Product Development

Dilutive

Equity Finance
Money is obtained in exchange for shares (immediately or at a later date)

Pros:
Large sums can be raised, allowing business to grow fast
Interests of all parties are aligned
Top investors bring-in experience & network

Cons:
Can be time consuming (particularly for CEO)
Dilutive money (others own part of the company)
Pressure to scale faster and eventually exit

2 | 2A | 2B | 2C | 2D

Crowdfunding
Money from many individuals/organizations in exchange for equity, interest (loans), rewards or social impact

Pros:
Small and large sums can be raised in a short period
Publicity of the campaign can aid the business
Not tied to a single dominant funder

Cons:
Can be costly to create a successful campaign
Large number of people to keep happy (publicly)
Terms may be difficult (or impossible) to negotiate

2 | 2A | 2B | 2C | 2D

Non-Dilutive

Awards & Grants
Money is given to the company in exchange for winning a competition or achieving a specific aim

Pros:
Small and large sums can be raised
Non-dilutive money with no financial cost
Public profile and credibility are enhanced

Cons:
Can be time consuming to win awards/grants
May distract the business
Can have reporting requirements

2 | 2A | 2B | 2C | 2D

Loans
Borrowed money that must be repaid, usually with interest

Pros:
Large sums can be borrowed
Non-dilutive money
Usually not very expensive

Cons:
Security (an asset) or 3rd party guarantee usually required
If company collapses, debtors are paid before shareholders
Future investors may ask for debts to be cleared

2 | 2A | 2B | 2C | 2D

Worksheet 2A
Equity Finance

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Use this worksheet to identify possible sources of equity finance, including equity investment and convertible loans. These types of funding involve selling shares in your business (either immediately or at a later date) and may result in the dilution of existing shareholders' stakes. Highlight possible sources in the Options field that you might consider at different stages, using sticky notes to indicate amounts.

Long list of Swiss investors:

	Investor Types	Amount	Legal Form	How it Works	Time (Months)	Things to Consider	Investor Access	Examples	Options? Tip: Note which investor access points you could use..
Foundation	• Founders and trusted acquaintances (Family, Friends and Enthusiasts).	10-100k.	Ordinary Shares.	Create and sell shares in exchange for cash investment. Each share has the same rights as the rest.	3	It is advisable to set-up a Shareholders Agreement between the founders.	• Personal network. Websites that help to find cofounders.	Cofoundme Cofounderslab	
Seed	• Founders and trusted acquaintances (Family, Friends and Enthusiasts). • Angel Investors.	50k-500k.	Convertible Loan (Convertible Note).	Loans convert into shares at a discount price (representing the interest) at the next investment round (e.g. Series A).	3-6	Convertible loans are a quick and efficient way to raise finance at an early stage when it is difficult to value the business.	• Personal network • Existing investors & their networks • Your advisors & coaches' networks	Linkedin Crunchbase SECA Members	
		50k-1m.	Ordinary &/or Preferred Shares.	Create and sell shares in exchange for cash investment. Different shares may have different rights.	9	Selling shares takes time and management resource. Make sure you raise enough for at least 18 months.	• CEOs of similar startups (use Crunchbase & investor associations to find them) • Angel Clubs	Investiere BAS SICTIC Switzerland	
Series (A, B, C, etc)	• Angel Investors. • Professional Investors (Venture Capital and Corporate Venture Capital).	500k+.	Preferred Shares.	Create and sell shares in exchange for cash investment. Professional investors will expect special rights (preference shares) to protect their investment.	9+	Some investors are more concerned about maximizing financial returns at exit, while others, such as corporate investors, may have a more strategic focus that could assist your business in other ways.	• Awards that raise profile • Crowdfunding Platforms	Go to Awards & Grants in **Worksheet 2C** Go to Crowd-founding in **Worksheet 2B**	

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2
2A 2B
2C 2D

Worksheet 2B
Crowdfunding

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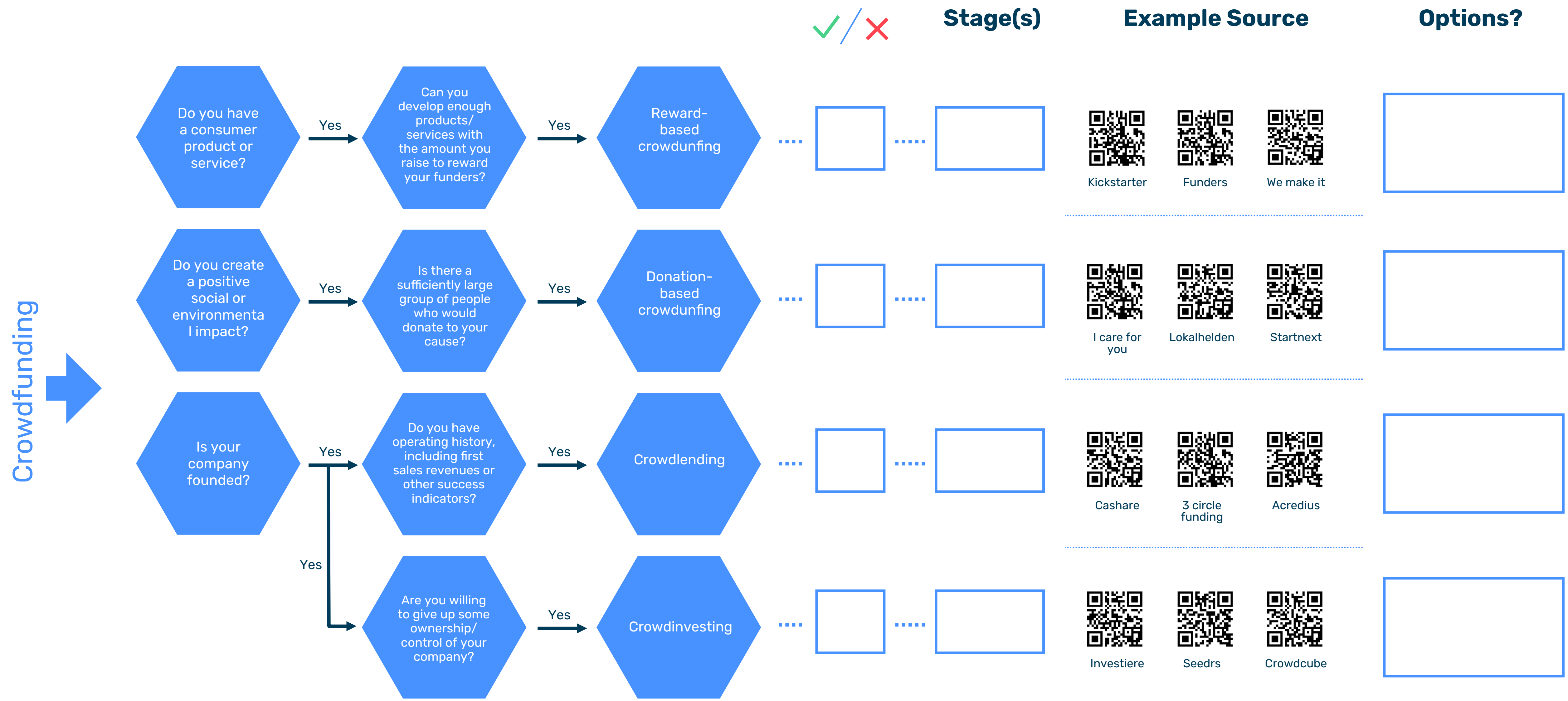
Use this worksheet to identify possible sources of crowdfunding. Indicate whether you would consider each option with a cross or a tick. If you would consider it, indicate the stage, then highlight possible sources on the Options field with sticky notes indicating the amounts that you might seek and any relevant deadlines.

Long list of Swiss crowdfunding sites:



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Worksheet 2C
Awards & Grants

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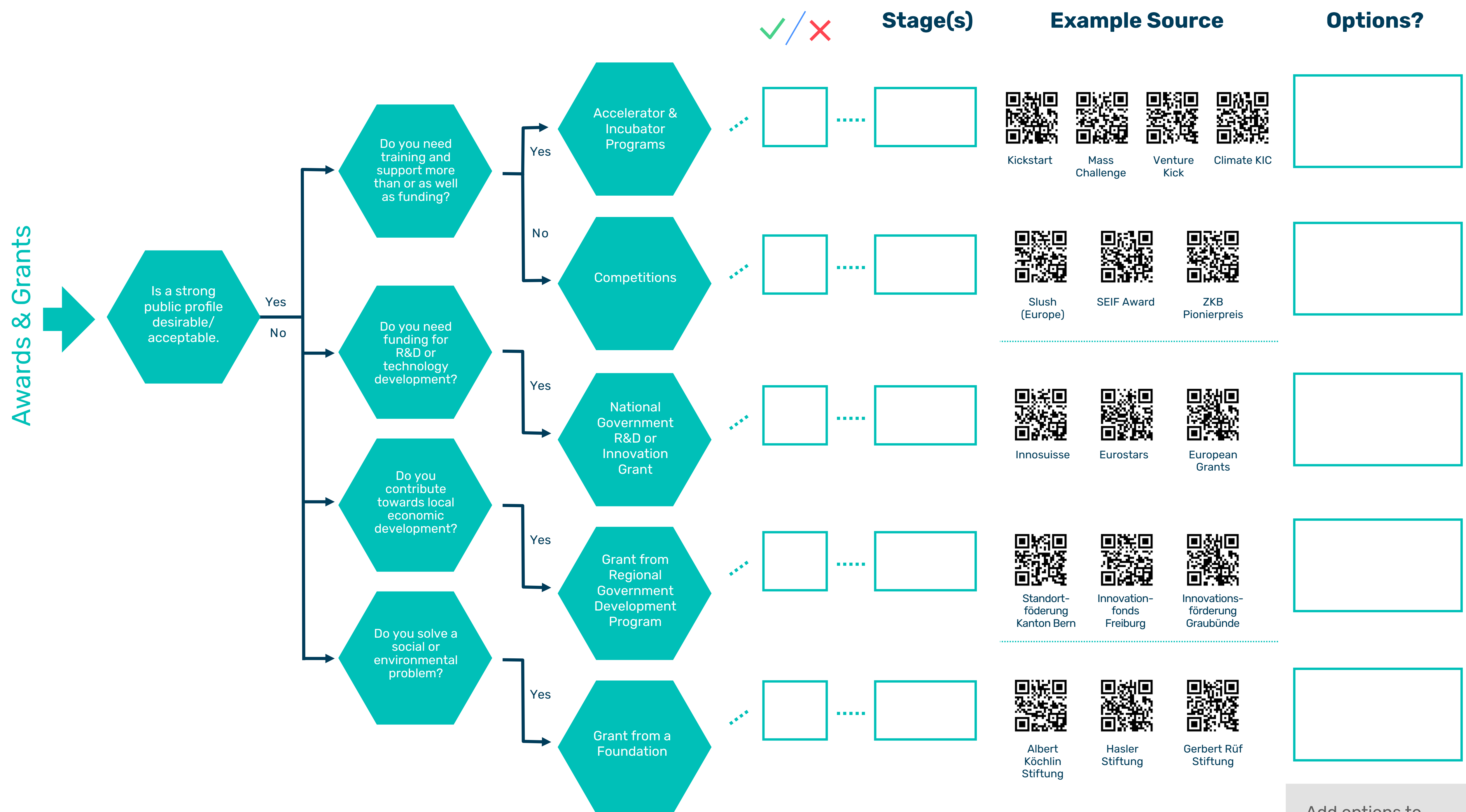
Use this worksheet to identify possible sources of funding from awards and grants. Indicate whether you would consider each option with a cross or a tick. If you would consider it, indicate the stage, then highlight possible sources in the Options field with sticky notes indicating the amounts that you might seek and any relevant deadlines.

Long lists of Swiss awards and grants:

Awards

Grants



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Worksheet 2D
Loans and Loan Guarantees

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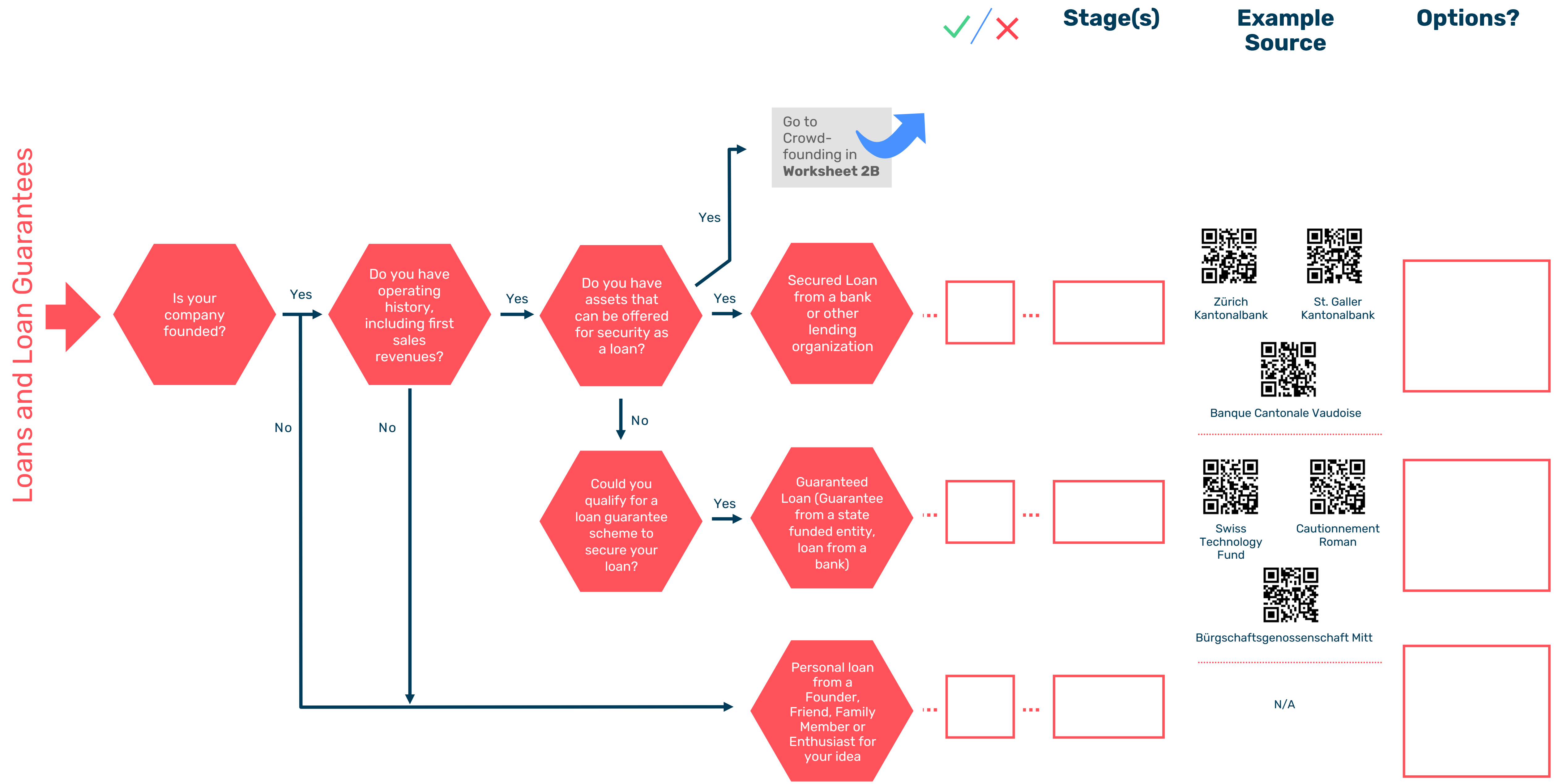
Use this canvas to identify possible sources of funding from loans and loan guarantees. Indicate whether you would consider each option with a cross or a tick. If you would consider it, indicate the stage, then highlight possible sources in the Options field with sticky notes indicating the amounts that you might seek and any relevant deadlines.

Long list of Swiss Startup Loans:



Glossary

Dilution: when new shares in a business are issued (created and sold) the existing investors' percentage ownership of the business decreases. In effect, they own a smaller share of a larger pie. | **Equity Finance:** the raising of capital (cash) by the sale of shares in the company. | **Angel Investor** – An Angel Investor is an individual who uses their personal capital to invest in to early stage businesses. | **Venture Capital (VC)** – A Venture Capital firm is a professional investment company that invests money from a fund that it has raised from third parties into private businesses. | **Corporate Venture Capital (CVC)** – The investment of corporate money in to privately owned startup businesses. | **Ordinary Share** – A basic form of company share that entitles the holder to dividends. | **Preferred Share** – A type of company share that confers special rights to the holder, typically such that they will receive more returns from the business (than other shareholders) in the event of a successful exit or failure (e.g. bankruptcy). | **Convertible Loan/Note** – A convertible Loan or Note is a loan that converts into shares at a discount price (representing the interest) at the next investment round (e.g. Series A).

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